

May 31, 2012

VIA ELECTRONIC MAIL

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, NW
Washington, DC 20554

Re: Notice of Ex Parte Communication: GN Docket No. 11-117, PS Docket No. 07-134, WC Docket No. 05-196, PS Docket No. 11-153, PS Docket No. 10-255

Dear Ms. Dortch:

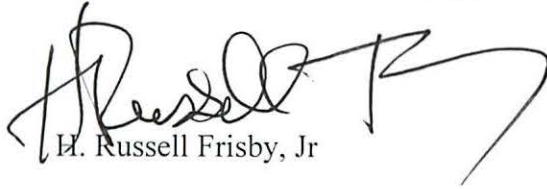
This is to notify you, pursuant to § 1.1206 of the Commission's rules, that on May 30, 2012 the undersigned, along with Kim Robert Scovill, Senior Director Government Relations of Telecommunication Systems, Inc. ("TCS"); Stephanie Scruggs, Murphy & King; William A Brown, AT&T; and Joseph Marx, AT&T Services, Inc. met with the following FCC Staff: Julie Veach, Marilyn Sonn, David Horowitz, Aaron Garza and Patrick Donovan.

At this meeting the parties discussed the need for the FCC to take action in light of the growing number of lawsuits alleging that carriers and other E911 services providers have infringed patents simply by virtue of their compliance with FCC E911 regulations. In particular the representatives of TCS urged the Commission to either (1) issue guidance as to when 28 U.S.C. § 1498 would apply to such lawsuits or (2) adopt regulations providing that the intellectual property rights in question must be provided on a reasonable and non-discriminatory basis.

The position of the parties is fully set forth in the Summary which is attached hereto and which was left with the FCC Staff. Please contact the undersigned if you have any questions.

Sincerely,

STINSON MORRISON HECKER LLP



H. Russell Frisby, Jr

HF:SMH

Enclosure

cc: Julie Veach
Marilyn Sonn
David Horowitz
Aaron Garza
Patrick Donovan

SUMMARY

Overview

TeleCommunication Systems, Inc. ("TCS") will propose that the Federal Communications Commission ("Commission" or "FCC") institute a formal rulemaking proceeding to clarify the applicability of 28 U.S.C. § 1498 in those circumstances where a wireless carrier or E911 services provider, in the course of complying with 47 C.F.R. §§ 9.5, 20.18 in the offering of E911 services, is alleged to have infringed upon a patent and the allegation involves a claim that the infringement is based on compliance with an FCC Order, standard, or regulation. More specifically, TCS will request that the Commission hold that in all circumstances such compliance is in furtherance and fulfillment of a paramount Government policy and is therefore equivalent to an action that is "by or for" the government and with the Government's permission consistent with the language of 28 USC §1498.

In the alternative, TCS will request that the Commission establish rules that provide for licensing of patents covering E911 services and capabilities pursuant to reasonable and non-discriminatory ("RAND") terms consistent with previous decisions by the Commission under its patent procedures.

Commission action is required in this instance because the lack of a consistent Commission policy as to patent interference management has become a significant roadblock to the provision of E911—a roadblock that will only increase as Next Generation 911 ("NG911") services are implemented and widely deployed. As long ago as 1961, in the *Revised Patent Procedures of the Federal Communications Commission*,¹ this agency recognized the danger that the prejudicial use of patents could pose to the provision of new communications services and expressed the expectation that "[w]henver it appears that the patent structure is or may be such as to indicate obstruction of the service to be provided under the technical standards promulgated by the Commission, this fact will be brought to the Commission's attention for early consideration and appropriate action."

By virtue of its Petition, TCS is bringing this very serious patent-related problem to the Commission's attention and urges prompt action because Commission mandated E911 regulations have had the unintended consequence of engendering an onslaught of predatory patent litigation. As a result, the public may suffer disruption of current E911 services, and faces the real potential for delay or loss of NG911 services, due to the repeated infringement lawsuits filed by patent assertion entities ("PAEs") that seek to enforce their claims by asserting that deployment of the capabilities (including technologies, systems and methodologies) necessary to provide E911 services (and very soon NG911 services) in compliance with FCC orders, regulations, or standards is the proximate cause of alleged infringement. Taking advantage of the mandatory nature of the Commission's E911 regulations, PAEs have forced wireless carriers and E911 services providers (such as TCS), into the dilemma of either facing the unacceptable

¹ Public Notice – Revised Patent Procedures for the Federal Communications Commission (December 1961) 3 FCC 2nd pp 26-27

consequences of violating or being a party to violating FCC licensing standards or being adjudicated as a patent infringer.

Until now, the Commission has not addressed the question of patent rights in the context of its E911 regulations and standards. However, it has ample authority to do so. Under Titles I, II and III of the Communications Act, as well as the provisions of the NET 911 Act, the Commission, acting in furtherance of its public safety policies, has authority to amend the current E911 regulation to make clear the link to 28 U.S.C. § 1498 because of the mandatory public safety nature of the E911 regulations. In the alternative, the Commission also has the authority to establish rules that provide for licensing of patents covering E911 services and capabilities pursuant to reasonable terms and conditions that are demonstrably free of any unfair discrimination. Moreover, the Commission has exercised similar authority in the past in the context of Part 68 terminal equipment, ANSI and radio equipment for public safety, CMAS, and DTV.

A. The FCC should Invoke 28 U.S.C. § 1498

28 U.S.C. § 1498 provides in relevant part that:

Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation for such use and manufacture.

§1498 applies in this instance because the FCC has prescribed by regulation the E911 standards upon which the infringement claims are based and has required that wireless carriers and E911 service providers implement them. Furthermore, the implementation of these standards is in furtherance of an important government function—providing E911 emergency services "for the purpose of promoting safety of life and property through the use of wire and radio communication." The plain language of § 1498 unambiguously applies to the Commission's E911 and future NG911 regulations. It has recently been held that 'for the government' means that the use must take place in furtherance of government policy with some benefit accruing to the government. Such is clearly the case here, given that E911 regulations are in furtherance of the federal government's 911 public safety policies, and the ultimate benefit is shared among Federal and state public safety officials and the public they serve.

B. The FCC Has Authority to Require RAND Licensing

In the alternative, the Commission has the necessary ancillary authority under Title I to require that current E911 and future NG911 patents be licensed subject to RAND terms and conditions and in the past has required such pricing where necessary to promote important Commission goals. The Commission has broad authority with regard to the provision of E911 services. It is well established that the Commission may exercise its ancillary jurisdiction in situations such as this, where its general jurisdictional grant under Title I covers the subject of

the regulations and the regulations are reasonably ancillary to the Commission's effective performance of its statutorily mandated responsibilities. The capabilities, systems and methodologies in question are part and parcel of the network elements, features, and processes necessary for compliance with Commission E911 standards—situations very similar to those faced by the FCC in both the DTV and public safety radio cases. Moreover, § 9.7 of the Commission's Rules provides that an owner or controller of a capability that can be used for 911 or E911 service must make that capability available to a requesting interconnected VoIP provider on rates, terms and conditions that are reasonable. Consequently, to the extent that capabilities are or could be used for both wireless and VoIP, the Commission has already required—at least with regard to interconnected VoIP—that they be made available at reasonable rates, terms and conditions. More general Commission action regarding the terms of patent licenses is appropriate in order to assure the unobstructed and reliable provision of all E911 services.